

The City Council of the City of Seabrook met in special session on Tuesday, March 29, 2016 at 7:00 p.m. in Seabrook City Hall, 1700 First Street, Seabrook, Texas to discuss, consider and if appropriate, take action on the items listed below.

THOSE PRESENT WERE:

GLENN R. ROYAL	MAYOR
ROBERT LLORENTE	COUNCIL PLACE NO. 1
MIKE GIANGROSSO	COUNCIL PLACE NO. 2
GARY JOHNSON	MAYOR PRO TEM &
	COUNCIL PLACE NO. 3
MELISSA BOTKIN	COUNCIL PLACE NO. 4
GLENNA ADOVASIO	COUNCIL PLACE NO. 5
O.J. MILLER	COUNCIL PLACE NO. 6
GAYLE COOK	CITY MANAGER
ROBIN HICKS	CITY SECRETARY

Mayor Royal called the meeting to order at 7:00 p.m.

**1.0 PRESENTATIONS**

**1.1 Present the audit for FY 2014/15 to the City Council. (Lab/Auditors)**

Stephanie Harris, with the Auditors office, stated that all financials are correct. The City has \$77.7 million in total assets and \$32.5 million in liabilities for an end result of \$46.1 million to the positive. The estimated cost of pension benefits as of 9/30/15 for all employees is \$2.4 million. Unlike other long term liabilities, where there is a reduction each year, pension benefits will continue to exist. A general rule of thumb is, "How well are you funded?" 80% funded is preferred. Seabrook is 91% funded. Most other cities are 80% funded. Private corporations are in the 70% range. The City will continue to make the same payments, as projected by TMRS, to meet plan on a long term basis. There are no surprises for future Councils.

The City collected \$12.2 million in revenue and spent \$13.5 million, including capital outlay. There was a net increase in fund balance of \$9.1 million for the year, with a CIP debt issuance of \$7.2 million, and a General Fund balance of \$1.1 million. There was an increase of transfers from the utility fund. The average ration of property tax to sales tax is all over the map, with sales tax being more volatile. Because city to city comparison results are so different, audits primarily look at fund balance.

Sales tax dollars were up over Fiscal Year 2014: \$2.7 million in 2015, \$2.5 million in 2014. Gayle Cook, City Manager, stated that the drop in sales tax revenue from the Highway 146 project will be about \$600,000. The Mayor pointed out that the Towers, Gulf Winds, Chesapeake Bay, and two hotels will be on the tax rolls in 2016, and the inventory tax will be online for the first time.

There is an \$18.6 million fund balance. \$6.1 million of that total in the General Fund and an unassigned fund balance of \$5.1 million. \$21,000 has been assigned for civil service sick leave. \$108,000 is in the Stabilization Fund. The unassigned balance represents 56% of 2015 annual operating expenses. Seabrook prefers reserves of 35%. Seabrook is putting away money for the results of the Highway 146 expansion. The city is in extraordinary shape.

Council concurred that the Director and Assistant Director of Finance, Pam Lab and Michael Gibbs are doing an outstanding job.

## **2.0 PUBLIC COMMENTS AND ANNOUNCEMENTS**

### **2.1 Mayor, City Council and/or members of the city staff may make announcements about city/community events. (Council)**

Councilor Giangrosso announced several upcoming events, including the Trash Bash; the Musical Benches concert; the Library Community Clean Up; Keels and Wheels; and the EDC yacht party April 22.

## **3.0 CONSENT AGENDA**

### **3.1 Accept Audit and Comprehensive Annual Financial Report (CAFR) for FY 14-15. (Lab)**

Motion was made by Councilmember Botkin and seconded by Councilmember Giangrosso

To accept the Audit and Comprehensive Annual Financial Report (CAFR) for FY 14-15.

**MOTION CARRIED BY UNANIMOUS CONSENT**

Upon motion duly made and seconded, Mayor Royal adjourned the meeting at 7:20p.m.

Approved this 19th day of April, 2016.

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Glenn Royal  
Mayor

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Robin Hicks, TRMC  
City Secretary